

Bucharest, 8 October 201

## **Open letter to the Romanian Government – ENGLISH TRANSLATION**

To the attention of: His Excellency Victor Viorel Ponta, Prime Minister of Romanian Government

**Subject: Construction & Real Estate leaders call on the Romanian Government to support ambitious and binding energy efficiency targets for the 2030 EU Climate-Energy package.**

Dear Mr. Prime Minister,

We the undersigned are writing to express our appreciation for the Government of Romania's strong, prior support for promoting energy efficient buildings and renovations in existing and future Operational Programmes as well as in the other programmes. We also appreciate that Romania has developed and submitted a high quality renovation strategy according to the Energy Efficiency Directive; a strategy that will be an important tool for strategic planning for our businesses. It is our firm belief that promoting innovation and high standards in energy efficiency are clearly in the interest of the citizens of Romania. It is, therefore, also our intention to encourage the Government of Romania to support ambitious and binding energy efficiency targets for the 2030 Climate-Energy package.

We face a growing scarcity of natural resources and environmental concerns of fossil fuels, global population growth, problems with the feasibility of alternatives (such as shale gas), impending removal of energy subsidies for households, and significant concerns about the security of energy supplies in the near and long term. An ambitious, binding target will ensure the citizens of Romania will be protected from rising energy costs ( and fuel poverty) and being harmed by uncompetitive industries due to high energy costs and usage due to standards that have fallen behind our neighbors. More energy saved also means Romania could export its surplus energy to neighbors for further economic benefit.

In addition to the substantive arguments for higher standards listed below, there is also a pragmatic one. Germany along with six other countries - Denmark, Belgium, Ireland, Greece, Portugal, and Luxembourg - are now openly supporting a binding energy efficiency target. France is negotiating about joining this position. We would like Romania to join this group of leading countries dedicated to innovation, environmental stewardship and continued planning for sustainable economic growth.

There are numerous success stories today of Romanian projects achieving dramatic energy savings with little to no additional costs or short payback periods that give us confidence that we are prepared for and will benefit from higher standards. Our team of university students from Romania's technical, architectural and construction universities have successfully competed in respected international competitions such as the Solar Decathlon Europe to design

and build high-quality homes with energy savings of over 70% that incorporate renewable energy generation. The Romania Green Building Council's analysis confirms that Romania has successfully and economically implemented in various commercial projects – both from domestic and international investors - all of the necessary systems, materials, technologies and strategies to achieve “Net Zero Energy” buildings today. Romania simply needs to integrate all of these components into a single project to show it can begin delivering in the next 2 to 3 years the buildings we will need to satisfy both the Net Zero Energy Buildings currently mandated for 2020 and the targeted national energy efficiency performance for 2030.

Industry innovation has rapidly reduced the cost of energy efficiency initiatives. Financial tools available today in Romania – including a “Green Mortgage” which provides discounted home financing for energy efficient homes – are driving more innovation without burdening public sector budgets. Other effective policy tools have been adopted in Cluj-Napoca and Timisoara that reward energy efficient buildings with reduced property tax. The programs are “tax revenue neutral” as they require the private sector to first invest (creating green jobs, labor taxes and social contributions, and buildings with higher valuations from which to calculate the taxes owed) and can be coupled with a slight increase in property taxes for non-green buildings.

An independent study from the International Energy Agency points that the analysis has shown that the uptake of economically viable energy efficiency investments has the potential to cumulative economic output through 2035 by USD 18 trillion – larger than the current size of the economies of the US, Canada and Mexico combined. The energy efficiency could result not only in a economic growth, but also reduced unemployment and improvement of public health. Susanne Dyrbøl, one of the experts contributing to the report, commented: “We know that Europe could reduce its energy consumption cost effectively by 40% by 2030 and the new IEA's report adds to the overwhelming evidence that Europe should aim to capture its full potential. This has already been recognized by the European Parliament which in February this year voted in favor of a binding 40% energy savings target for 2030”. We also believe that this 40% energy efficiency could be achieved cost effectively locally as Romania's buildings have plenty of “low hanging fruit” ensuring fast returns on investment for energy efficiency investment. The building sector could, in fact, bear the significant share of the mandated national energy efficiency targets being debated for reasons described in this letter. This would limit the energy efficiency reduction requirements of other industries such as manufacturing and transport.

One comprehensive study of Romania accepted by the Ministry of Regional Development and Public Administration from the independent Building Performance Institute Europe (BPIE.eu) concluded that national energy savings of 12% and related economic benefits should be obtained by implementing our National Building Renovation strategy. The passage of the Energy Performance for Buildings directive mandating “Nearly Net Zero Energy Buildings” for 2020 and other strong measures improving the performance of new construction indicates that the construction sector alone, through renovation and improvements in new construction, will easily deliver national energy savings of 25% or more. Therefore, when including the energy use reductions of other industries, a binding target of 30% energy savings will be easily achieved by 2030 with a strong business case behind it and numerous benefits for the country

and its people. It should be noted that due care must be taken when drafting the final legislation to ensure companies that are already top green performers with exemplary energy efficiency would not be required to deliver the same percentage efficiency improvements as the laggards. Our belief, however is that there are extensive opportunities for improvement by the least energy efficient companies so that this could be managed with relative ease.

Our organizations pledge to assist the Romanian government in developing projects through European funding to accelerate radical improvement in energy efficiency. We recognize the significance of the changes necessary to receive the benefits of energy efficiency initiatives and the importance of spreading them quickly and effectively throughout the country.

Having considered the arguments laid out above, we ask the Romanian government to support a binding energy efficiency target of at least 30% in the 2030 climate-energy package. We look forward to the opportunity to meet with the relevant Ministries at your earliest convenience to discuss the matter further.

Yours faithfully,

**Romania Green Building Council**

*[ signatures on Romanian version ]*

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**Dico si Tiganaș - Arhitecți**

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## **About the initiators of this letter:**

The **Romania Green Building Council** is a non-profit, non-political association of the country's leading green building investors and solution providers endeavoring to deliver the market, educational, and legislative conditions necessary to promote high performance construction that is both environmentally-responsible and profitable. We are creating an exemplary development model for the region by ensuring the built environment will not imperil future generations but rather be a source of safety, health, comfort, innovation, and economic opportunity.

Our organization promotes innovative financial tools (such as a "Green Mortgage" program), organization exemplary green building demonstration projects, provides the multi-disciplinary Green Building Professional education program, holds numerous awareness-building events on a variety of sustainable construction topics, and creates a marketplace for green building solutions and projects.

More information: [RoGBC.org](http://RoGBC.org)

**EFdeN** is Romania's representative in the international competition Solar Decathlon Europe, 2014 edition. Its purpose is the design and construction of an energy efficient solar house, the prototype required to answer to the following requirements: significant reduction in resource consumption, innovation in all of the project's domains, and the development of the home's commercial viability on the national market. The prototype is now being developed as the first Research Center of Building Comfort Conditions in Romania!

Our mission is to offer a new perspective regarding urban lifestyle and responsibility towards nature. Our goal is to improve Bucharest's density by supporting a polycentric development of the metropolis, growth of mobility within the city and the creation of sustainable communities; each of these in a framework of reuniting the individual with nature. Having a multidisciplinary approach, the project involved in this process over 150 students and professors, 5 universities, 87 partner companies, 25 media partners and the public administration of Romania. Together we are building the sustainable future in which we all believe!

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